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**Consumer Price Index
Detroit-Ann Arbor-Flint, MI CMSA
December 2003**

The Detroit-Ann Arbor-Flint, MI Consumer Price Index for All Urban Consumers (CPI-U) declined 1.1 percent from October to December, according to a report issued today by the U.S. Department of Labor's Bureau of Labor Statistics. This was the fifth consecutive October-December decrease for the Detroit area CPI-U, with bimonthly declines averaging 0.4 percent over the previous four years. The Detroit area all items CPI-U for December was 181.3 (1982-84=100). For the year ended in December 2003, Detroit area retail price inflation was 0.9 percent. This was below the 3.6 percent gain in 2002, but similar to the 1.0 percent increase in 2001.

A decline in the transportation component was responsible for about one-half of the 1.1 percent drop in the Detroit area all items CPI-U, commented Acting Regional Commissioner Charlene Peiffer. The indexes for new and used vehicles, gasoline, and public transportation all fell in the last two months of 2003. A seasonal downturn in the apparel component was responsible for another one-quarter of the overall decline. The components for recreation, other goods and services, and housing also finished the year on a down note, rounding off the decline. Small to moderate gains in the components for food and

Table A. Percent Changes in the CPI-U, Detroit-Ann Arbor-Flint, MI (not seasonally adjusted)

Expenditure Category	Changes from 2 months ago							12 mo. ended
	2002	2003						
	Dec.	Feb.	Apr.	June	Aug.	Oct.	Dec.	Dec. '03
All items	-0.4	1.5	-0.1	0.3	0.4	-0.2	-1.1	0.9
Food & beverages	.6	-.1	.3	.7	-.3	.5	.2	1.4
Housing	.8	.8	.1	.3	.9	-1.8	-.2	.2
Apparel	-5.0	6.4	-2.6	-.6	-1.2	4.1	-5.8	-.1
Transportation	-2.6	5.0	-1.0	.5	1.1	.5	-3.2	2.7
Medical care	0	.7	1.5	-.1	0	1.0	.2	3.4
Recreation	-.7	.4	.5	.2	-1.4	.2	-1.8	-1.8
Education and communications	-.3	.3	-.3	.1	1.2	.3	.6	2.2
Other goods & services	.5	-.6	.1	-.7	1.8	.6	-2.1	-.9

beverages, medical care, and education and communication only partially offset these declines.

The transportation component declined 3.2 percent from October to December, reflecting a 9.6 percent slide in gasoline prices and a drop in costs for new and used motor vehicles. The decline in gasoline prices was in-line with the 9.9 percent average decrease experienced in the three previous October-December periods. Despite their latest drop, gasoline prices stood 7.0 percent higher over the year. Transportation costs in general were up 2.7 percent for the year following a 1.5 percent increase for the year ended in December 2002.

The housing component edged down 0.2 percent during the bimonthly period. Declines in the indexes for electricity (-3.8 percent), natural gas (-1.5 percent), and household furnishings and operation (-0.9 percent) more than offset a 0.3 percent increase in shelter costs. For the year, the housing component finished only 0.2 percent higher. This modest increase was attributed not only to a small 0.2 percent increase in the shelter index, but to a 7.0 percent decline in the household furnishings and operation index. These setbacks offset most of a 22.1 percent increase in the utility natural gas service index. Electricity costs were unchanged for the third consecutive December-December period.

The apparel component dropped 5.8 percent between October and December. During the previous ten October-December periods, seasonal declines in this component ranged from 1.2 percent in 1995 to 9.8 percent in 2000. For the year ended in December 2003, apparel prices were nearly unchanged, falling only 0.1 percent. In the prior annual period, apparel prices rose 4.9 percent.

The recreation component dropped 1.8 percent, its fifth consecutive decline in this bimonthly period. For the year, recreation costs also remained 1.8 percent lower. In the previous annual period, December 2001-02, recreation costs were up 15.9 percent.

The food and beverages component rose 0.2 percent as increases in both the food away from home index (+0.4 percent) and the alcoholic beverages index (+1.1 percent) were large enough to offset a 0.1 percent decline in the food at home index. For the year ending in December 2003, food and beverage costs advanced 1.4 percent following increases of 2.0 percent in 2001 and 1.9 percent in 2002.

The medical care component rose 0.2 percent from October-December. This component was unchanged in this bimonthly period a year ago but rose by 0.2 percent in the final two months of 2001. For the year, medical care costs rose 3.4 percent after advancing 3.5 percent in 2002 and 4.0 percent in 2001.

The education and communication component increased 0.6 percent from October to December to a level 2.2 percent above a year ago. In the previous annual period, this component registered a 1.0 percent increase. The other goods and services component declined 2.1 percent in the latest period, leaving it 0.9 percent below its year ago mark.

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Scheduled release date for the January 2004 CPI:
Friday, February 20, 2004

CPI HOTLINE SERVICE PROVIDES LATEST INDEXES 24 HOURS A DAY

The all items CPI-U and CPI-W for the U.S. City Average and for the Detroit area are available to the public 24 hours a day, 7 days a week through the Bureau's CPI Hotline service. This recorded message also provides percent changes from the prior period and from a year earlier as well as the scheduled release date for the next CPI issuance. The Hotline number in Detroit is (313) 226-7558.

BLS FAX-ON-DEMAND SERVICE OFFERS CPI DATA 24 HOURS A DAY

If you have a fax machine and a touch-tone telephone, you can order current and historical CPI data and receive it within minutes by fax. The BLS Fax-on-Demand service offers over 280 documents containing the most popular BLS data including more than 65 documents containing CPI data for the nation, four regions, and 30 metropolitan areas. To receive by fax a catalog of documents available on the service, call 312 353-1880, select menu option 1, and when prompted, order document 1000.

BRIEF EXPLANATION OF THE CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPI's for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 87 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Prices are collected in 87 urban areas across the country from about 50,000 housing units and approximately 23,000 retail establishments-- department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index. Prices of food, fuels and a few other items are obtained every month in all 87 location. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. City average. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 26 local area. Area indexes do not measure differences in the level of prices among cities, they only measure the average change in prices for each base period.

The index measure prices changes from a designated reference data - 1982-84 that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65.

For further details see the BLS Handbook of Methods, Bulletin 2490, April 1997, Chapter 17, The Consumer Price Index.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods

Detroit-Ann Arbor-Flint, MI (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	Oct. 2003	Nov. 2003	Dec. 2003	Dec. 2002	Oct. 2003	Nov. 2003
Expenditure category						
All items	183.3	-	181.3	0.9	-1.1	-
All items (1967=100)	544.8	-	538.9	-	-	-
Food and beverages	175.8	-	176.2	1.4	.2	-
Food	175.4	-	175.7	1.2	.2	-
Food at home	176.4	175.3	176.3	1.0	-.1	0.6
Food away from home	175.0	-	175.7	1.4	.4	-
Alcoholic beverages	175.8	-	177.7	3.5	1.1	-
Housing	172.8	-	172.5	.2	-.2	-
Shelter	199.3	199.5	199.8	.2	.3	.2
Rent of primary residence ¹	190.8	191.4	190.3	1.0	-.3	-.6
Owners' equivalent rent of primary residence ^{1 2}	206.7	206.8	207.4	-.2	.3	.3
Fuels and utilities	163.6	-	160.6	10.6	-1.8	-
Fuels	134.5	132.4	131.4	11.5	-2.3	-.8
Gas (piped) and electricity ¹	137.2	135.0	133.8	11.3	-2.5	-.9
Electricity ¹	130.3	125.4	125.4	.0	-3.8	.0
Utility natural gas service ¹	147.6	147.7	145.4	22.1	-1.5	-1.6
Household furnishings and operations	114.7	-	113.7	-7.0	-.9	-
Apparel	128.2	-	120.8	-.1	-5.8	-
Transportation	176.0	-	170.3	2.7	-3.2	-
Private transportation	174.4	-	168.8	2.9	-3.2	-
Motor fuel	138.5	129.5	125.3	7.1	-9.5	-3.2
Gasoline (all types)	137.9	128.9	124.7	7.0	-9.6	-3.3
Gasoline, unleaded regular ³	140.5	130.8	126.7	7.9	-9.8	-3.1
Gasoline, unleaded midgrade ^{3 4}	153.2	144.8	139.3	7.1	-9.1	-3.8
Gasoline, unleaded premium ³	136.9	129.1	124.8	5.6	-8.8	-3.3
Medical care	295.1	-	295.8	3.4	.2	-
Recreation ⁵	120.4	-	118.2	-1.8	-1.8	-
Education and communication ⁵	115.8	-	116.5	2.2	.6	-
Other goods and services	310.2	-	303.7	-.9	-2.1	-
Commodity and service group						
All items	183.3	-	181.3	.9	-1.1	-
Commodities	150.2	-	146.7	-1.1	-2.3	-
Commodities less food and beverages	136.4	-	131.0	-2.7	-4.0	-
Nondurables less food and beverages	152.6	-	145.2	-.4	-4.8	-
Durables	114.9	-	111.8	-5.5	-2.7	-
Services	218.1	-	217.8	2.4	-.1	-
Special aggregate indexes						
All items less medical care	178.6	-	176.5	.7	-1.2	-
All items less shelter	179.3	-	176.4	1.1	-1.6	-
Commodities less food	138.0	-	132.8	-2.4	-3.8	-
Nondurables	164.0	-	160.5	.5	-2.1	-
Nondurables less food	154.0	-	147.2	-.1	-4.4	-
Services less rent of shelter ²	245.1	-	243.8	4.7	-.5	-
Services less medical care services	211.6	-	211.2	2.4	-.2	-
Energy	137.6	132.3	129.8	9.4	-5.7	-1.9
All items less energy	190.4	-	189.0	.3	-.7	-
All items less food and energy	194.0	-	192.2	.1	-.9	-

¹ This index series was calculated using a Laspeyres estimator. All other item stratum index series converted to a geometric means estimator in January, 1999.

² Index is on a December 1982=100 base.

³ Special index based on a substantially smaller sample.

⁴ Indexes on a December 1993=100 base.

⁵ Indexes on a December 1997=100 base.

- Data not available.

NOTE: Index applies to a month as a whole, not to any specific date. Regions defined as the four Census regions. See map in technical notes.